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JUST TWO THINGS--PEOPLE AND NATURAL RESOURCES

"There are just two things on this material earth: people and natural resources. A constant and sufficient supply of natural resources is the basic human problem."

Gifford Pinchot expressed this philosophy, and it still is true today. Doubtless, it will hold true half a century from now.

This is why it's vital for a Nation -- any Nation, all Nations -- to have a natural resource policy that reflects on the past, provides for the present, and looks to the future. The key to a sound resource policy is adaptive evolution. It must be dynamic. The policy-makers involved must recognize when changes are needed, what changes are needed, and how to introduce changes into the existing situation so that they will be accepted and not fought by those charged with their implementation.

Samuel Trask Dana put it this way:

"The courses of action that constitute policies are 'settled' only in a relative sense. Changing times inevitably result in changing policies, which are consequently in a constant state of flux. Some knowledge of these changes and of the forces that have controlled them is necessary both to understand the present pattern and to predict its future evolution."

Since I'm opening this symposium, I'm reluctant to drag out my crystal ball and try to predict the future. Perhaps the most useful role I can play here this evening is to review some of the time-tested philosophy that we bear in mind as we make forest policy today -- and to elaborate on a few of those specific policies and the options we have for change, if indeed it is time for another change in the forest policy of the Nation.

First, let me dispel the notion that the public lands can be relied upon to fill all needs that private lands cannot meet, now and in the future. This is simply not true. Any national policy has to consider all forestlands.

Let me first try to describe what a national policy for our forests might be. It is not a decree from the Federal government. It can't be, not in this country. Perhaps more than anything else, it is a consensus -- loose and general at best -- regarding what the country needs, now and in the future, and how those needs can be met without damaging the very land base on which our lives depend.

Remarks by Dr. M. Rupert Cutler, Assistant Secretary of Agriculture for Conservation, Research, and Education, at the Federal Lands Forest Policy Symposium, Lewis & Clark College, Portland, Oregon, April 20, 1978.

Sam Dana described it this way: "A single policy for an entire country in the handling of its forests, rangelands, and other natural resources is . . . possible only when the central government has complete authority to dictate the courses and methods to be followed by both public and private agencies. The other extreme is found in a country like the United States when there not only may be, but are, as many policies as there are governmental units and private forests. There is however, at any given time, sufficient similarity among these various policies to form a somewhat indistinct but nevertheless recognizable pattern for the country as a whole."

This, then, perhaps is as close as we can come to a definition of a forest policy for the Nation. This leads to a second obvious question, What should be the basic premise of any consensus formed about national policy? Again I can do no better than to call on Gifford Pinchot for guidance. He said: "E Pluribus Unum is the fundamental fact of our political affairs. E Pluribus Unum is and always must be the basis in dealing with the natural resources. Many problems fuse into one great policy, just as many states fuse into one great Union. When the use of all the natural resources for the general good is seen to be a common policy with a common purpose, the chance for the wise use of each of them becomes infinitely greater than it had ever been before." That, I suppose, can be boiled down to the shorthand expression, "The greatest good for the greatest number." While it's hard to know just what actions will produce the greatest good, we do know that it cannot possibly accrue from actions that irreparably damage the environment. Nor can the greatest number fail to include future generations.

I don't need to dwell on the key role of Congress in setting national resource policy. But, I would like to emphasize to this audience the outstanding record of Oregon's and Washington's Congressional delegations, a group of men who not only share our desire for wise use of our natural resource endowment and see its potential, but recognize the hard realities as well. They have consistently been not just supporters, but leaders, in legislating sound, practical forest policy, and perhaps more importantly, in assuring that investments are made to protect and manage the resources for present and future needs.

Northwest members, including Henry Jackson, Chairman of the Senate Energy and Natural Resources Committee; Tom Foley, Chairman of the House Agriculture Committee; Al Ullman, Chairman of the House Ways and Means Committee; Jim Weaver, Chairman of the Forest Subcommittee of the House Agriculture Committee; and Bob Duncan and Mark Hatfield, key Appropriation Committee members, stand out at the national level in helping formulate national policy.

Some of the milestone legislation in natural resources has been as well drafted and as enduring as any legislation ever enacted. But I can recall no other time in history when three landmark forestry bills were before Congress at the same time . . . and they have been introduced by the same Congressman, Mr. Weaver.

These bills will update and strengthen our state and private forestry, forestry research, and extension forestry statutory authorities. We think they're needed.

Congressional action ideally is accompanied by parallel action at the State level, and Oregon's Governor Robert Straub has established an enviable track record in forestry issues.

Let's look at the lands that will provide the so-called greatest good for the greatest number -- really, a diverse set of outputs for a diverse set of user groups. Looking at forests and rangelands, this Nation has a continuum of kinds of land use. At one end are the private industrial lands. Their primary use is to produce a profit through the sale of commodities in the marketplace. This is not to say that industry's lands serve only timber uses, or that unrestrained profit maximization is practiced. Most are well-managed and open to public recreation use. I simply am saying that profit has to be the primary motive; if an operation is not profitable, it ceases to exist.

At the opposite end of the continuum are the National Parks. Their primary purposes are scenic preservation and recreation, although other uses coexist, such as wildlife or watershed values. But wildlife habitat is generally preserved, not managed as on the National Forests outside of wilderness areas.

Somewhere between the two extremes of the continuum are the National Forests. Here we seek to offer a multitude of uses -- recreation and wilderness, timber, livestock forage, water, wildlife habitat, mining -- to form a pattern which approximates, in our professional judgement -- tempered by public involvement, the greatest good for the greatest number. This then is the long-range view of the function of the National Forest System. While we must be more specific about our "management prescriptions," we cannot let ourselves be drawn into exercises for short-run benefits that have unacceptable long-term consequences. "Multiple use" and "sustained yield" remain our policy guideposts.

Short-sighted mistakes are often single use mistakes, and we can help avoid them if we keep in mind the definition of a forest. I think we can agree that a forest is "generally an ecosystem characterized by a more or less dense and extensive tree cover." Further, an ecosystem is "the system formed by the interaction of a group of organisms and their environment."

A forest ecosystem therefore should not be considered one resource at a time. We cannot consider one resource without considering its "interaction" with others. We cannot consider one of a kind of organism — whether it be trees, or a wildlife species, or an endangered plant — without considering the others, including humans. We must consider these organisms — or our actions — in the context of the total forest ecosystem, which includes man.

We've reached the point in our technical knowledge and our planning and policy-making abilities that we can begin to manage the National Forests more intensively for all purposes -- where intensive management makes economic and ecological sense. The Forest Service has an excellent record of responding to the public's indications of what's "in the public

interest." And I want to reiterate my confidence in the ability of our resource professionals to successfully combine, in many settings, timber harvesting with other objectives such as wildlife habitat enhancement, developed recreation, grazing, even mining . . . while protecting the quality of water, air, and other environmental quality parameters in the process. I am very pleased by the way Chief McGuire and his staff are able to meet the astounding number of public demands made of the National Forests.

The diversity of these demands is great, and we must avoid simplistic solutions. Many groups would like us to call moratoria at different times on different resource uses. But socially acceptable solutions will be found only when people develop some level of agreement and look at ways to make their diverse objectives compatible and complementary. Rather than dramatizing our differences, let's look for those areas on which we can agree. Somewhere between maximum short-run profits and total preservation lies the only path that National Forest management can take.

A multiple-use concept is especially important in the Northwest, where many of today's far-reaching decisions on forest policy are coming into focus.

The natural resources of the Northwest are treasured equally by the timber people, the skiers, the wilderness buffs, the wildlife enthusiasts, the mining industry, and those who want to use the land as corridors for energy transmission.

National Forests form 25 percent of Oregon's land base and 21 percent of Washington's. Obviously, the decisions made with respect to the management of these lands are of vital importance to the citizens of these two States — and to the rest of the Nation as well. In its decisionmaking, the Department of Agriculture will consider the total spectrum of values that influence human beings and their environment — the political, the social, and the economic values, as well as ecological values. This is one reason that we employ people from such a wide variety of disciplines. And why we continue to introduce people from new disciplines into our decisionmaking process, as well as use computers that can store human knowledge and feed it back to us in logical combinations as we pursue that most human endeavor of all — making decisions that affect our lives and the lives of future generations.

I mentioned that economics is a consideration. It is not the overriding consideration, however, according to our statutory guidance.

For instance, the Multiple Use-Sustained Yield Act says, "Multiple use means the management of all the various renewable surface resources of the national forests so that they are utilized in the combination that will best meet the needs of the American people." Sounds like shades of Pinchot, doesn't it? And it is. But the Act defines multiple use even further, as "harmonious and coordinated management of the various resources, each with the other, without impairment of the productivity of the land, with consideration being given to the relative values of the various resources, and not necessarily

the combination of uses that will give the greatest dollar return or the greatest unit output." Despite this clear statutory direction, when we assert that economics is a consideration, but not necessarily the overriding consideration, we differ from some of our critics.

Because we're obviously talking most often, in this context, about timber harvests on the National Forests, and non-declining flow policy, and liquidation of old growth, let's take a look at the timber industry today.

We are faced with two long-term trends. First, industry is becoming more efficient in harvesting and processing timber. The man-hours for each unit processed have been declining, and will drop by another fourth by the year 2000, even assuming a constant level of National Forest harvest.

Secondly, in many western areas, the total timber supply is declining. Some of the reductions resulted from decreasing the land base for timber production on the National Forests. But much of the decline comes from reduced sawtimber inventories on private lands. In the "Forestry Program for Oregon, Phase I," the Oregon Department of Forestry projected a 22 percent decline in Western Oregon timber supplies if Federal timber harvest is not increased.

Over the long term, we cannot possibly hope to reverse these trends only through additional National Forest harvest.

Recent studies show that 40 percent of Oregon's employment depends, directly or indirectly, upon the timber industry. Total employment in the industry is declining and will continue to decline because of reduced harvesting on private lands. This is the result of past harvesting at levels that could not be sustained. It's often been stated that the Oregon timber industry produces twice the cut per acre as the National Forests. Our figures have long shown that this rate of cut could not be sustained. Now, it will take another 20 years to reverse the trend of reduced harvesting on private lands.

Some people feel that we could at least temporarily maintain employment in the timber industry and mid-1970's real prices by accelerating the harvest of old growth on the western National Forests. However, to maintain wood product prices, the harvest would have to be increased above the present level during the next three decades by 50, 80, and 140 percent, respectively. But, even here, there's a Catch-22. This policy of increased harvest could only endure for three decades — not even enough time for one rotation. Then an acute shortage of National Forest sawtimber would develop in the West. The result would be a sharp decrease in harvests — and an equally sharp rise in prices nationwide.

Rapid acceleration of the harvest of old-growth in the West is not the long-term answer. We are constrained by our legal mandates for multiple use, by our responsibility to protect the economic stability of dependent communities, and by our concern regarding effects on other resources, as they surface during NEPA-mandated analyses.

In the context of opportunities for flexibility in harvest levels offered under the National Forest Management Act, the Department is looking hard at our National Forest timber policy. Again, we recognize that policies are constantly evolving. Remember Sam Dana's observation: "Changing times inevitably result in changing policies, which are consequently in a constant state of flux." We are in a fluid situation right now. Many options are being drafted and analyzed, but haven't crystallized yet. At the same time, we are feeling pressure from many parties.

The Council on Wage and Price Stability issued a report on "Lumber Prices and the Lumber Products Industry," which asserted that the only way we can meet housing demands in the 1980's is to increase harvests on the National Forests. I consider this a pessimistic view in the sense that I believe more private non-industrial forest land can be brought under management and that we can increase both production and utilization of the resources already under management.

On the other hand, some groups want private owners to carry the brunt of investing in future wood supplies. Likewise, I do not feel that this is reasonable.

A conflict faces us — and its resolution is difficult. We will be responsive to the desire to increase timber supplies to keep lumber prices down. And yet, this same policy may reduce incentives for intensified forestry on private lands.

I'm very pleased with the positive, broad view the President took in his anti-inflation message to the American Society of Newspaper Editors on April 11. He called on the Departments of Agriculture and the Interior, the Council on Environmental Quality, and his economic advisers to report within 30 days on "the best way to <u>sustain</u> expanded timber harvests from Federal, State and <u>private</u> land and other means of increasing lumber yield in ways that would be environmentally acceptable, economically efficient, and consistent with sound budget policy." By including Federal, State and private lands in the study, he recognized that all lands are needed to do the job. And, the emphasis on using environmentally acceptable methods insures that we will consider long-term consequences in responding to national contingencies.

Even before the President's statement, we had raised the programmed sale on the National Forests to 12.2 billion board feet for Fiscal Year 1978. This is an increase of 700 million board feet — enough to build 58,000 new houses, and sustain 3,500 jobs for wood products workers, not to mention jobs in related industries.

It was largely to help alleviate supply problems in the forest industry that I initiated RARE II -- the Roadless Area Review and Evaluation. We will complete RARE II this year. We want to identify areas that should be designated wilderness -- and then return other areas to the working forest and identify their best uses.

These are some initiatives we've made under present policy. But there may be some broader changes on the horizon for National Forest timber policy — it's a little early to anticipate what form they may take.

As you know, for some years, non-declining flow has been the by-word of National Forest timber policy. When Congress passed the National Forest Management Act of 1976, it devoted an entire section to "Limitations of Timber Removal." The exact language required the Secretary to "limit the sale of timber from each National Forest to a quantity equal to or less than a quantity which can be removed from such forest annually in perpetuity on a sustained yield basis." It in essence restated existing policy.

But, again, there was a Catch-22.

Congress did not want an inflexible policy, or the sort of inflexible language that led to the Monongahela Controversy and the need for the National Forest Management Act in the first place.

So, the basic policy was modified during the legislative process to provide flexibility. There are, basically, three exceptions:

- -- First, the Secretary can set an allowable sale for any decade which departs from the projected long-term average, provided that it meets overall multiple-use objectives, is consistent with land management plans, and is made in the light of public participation.
- -- The second provision allows the Secretary to exceed the annual allowable sale, as long as the sales do not exceed the planned harvest for the decade. This allows flexibility to cover fluctuating markets, financing, and program impacts.
- -- The third exception allows the Secretary to offer salvage or sanitation sales resulting from fire, windthrow, or other catastrophes, or when a stand is in imminent danger from insects or diseases. This timber can be sold in addition to the planned sale.

We are currently developing the Secretary's regulations for land management planning on the National Forests, with advice from the Committee of Scientists, a group of outstanding resource professionals from outside the Forest Service. These regulations will include a process for examining alternatives to non-declining flow.

One of our main objectives is to determine what Congress intended by departures to meet "overall multiple use objectives." Several reasons for departures are included in the legislative history. They are: Improving the age class distribution on a forest to facilitate future sustained yield management; reducing high mortality losses; and consideration of economic impacts on local communities. The conferees deliberately refrained from developing a list of all possible exceptions. They wanted the Secretary to be free to weigh the merits of specific cases.

Earlier this week, the Committee of Scientists met again to review the draft regulations. Secretary Bergland and I met with them. As always, the meeting was open to the public and I'm sure some of you attended it. We hope to issue the draft regulations around the end of the month.

I hope that most of you will share your comments freely with us, both on the draft regulations and on RARE II. Last summer many of you commented on the RARE II inventory of roadless areas and the criteria that should be used for the National Wilderness Preservation System. The inventory of roadless areas includes some 66 million acres. This does not mean that we expect to recommend addition of the majority of these 66 million acres to the Wilderness System. Our goal is to settle the roadless areas issue to a large degree, so that we can get on with managing the forests, whether for wilderness or other multiple uses.

Right now we're trying to get a handle on possible effects of various alternatives on the timber harvest. The time constraints of RARE II did not allow us to conduct hard benefit-cost analyses. But, in consultation with both industry and environmental groups, we are looking at ways we may be able to strengthen the analysis. I expect we'll be successful, and you'll see the results in the Draft Environmental Statement on June 15.

The Statement will be a national programmatic document that describes both the present Wilderness System and commodity needs, the alternatives for achieving a proper share of both wilderness and commodities from the National Forests, and an analysis of the social and economic impacts of each alternative. Supplemental documents will include data on specific sites, probably by States.

The public comment period will last through October 1, to allow a full summer for people to examine areas on the ground.

We will file the Final Environmental Statement in December. It will list areas to be managed for nonwilderness uses and those to be recommended to Congress for wilderness designation. It will display the costs and benefits of the suggested designations. The actual recommendations will be sent to Congress in January 1979.

Earlier I mentioned the concern I have about the argument which says that the only way to meet increased housing needs in the 1980's is to increase timber harvesting on the National Forests. That's part of the answer, but I am convinced that most of the additional lumber and plywood for housing can be provided through other means. For instance, within a few years, we could gain an additional two to three billion board feet a year from increases in wood from private lands, improved utilization, and savings in wood use. A case in point is the sawmill improvement program, which can further increase the output of softwood lumber by over 300 million board feet per year by 1980, without cutting any more trees. In two years, with research, extension, and technical activities, we could increase this additional output to about 2.3 billion board feet.

Use of hardwoods offers another alternative. The predicted short-fall of softwood sawtimber is almost matched by the surplus hardwoods on private lands in the East. If even a small portion of the hardwoods was utilized in making paper, substantially more softwoods could go into construction. Our Forest Products Laboratory in Madison, Wisconsin, reports that such substitutions are nearing reality.

My point is that there are many alternatives to meeting the Nation's future needs, whether for timber, wilderness, or other benefits of the forest resources. The Department of Agriculture will continue to explore the alternatives. . . and to seek new and different ideas to help us formulate the resource policies of a Nation of over 200 million people with ever-changing needs and desires. Indeed, the American dream itself is constantly evolving. Shouldn't resource policy be constantly evolving as well? I say yes.

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